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Mike Lovelace  
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471-0050

**LB 84**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 84 adopts the Build Nebraska Act.

Key provisions are as follows:

- Effective July 1, 2013 until July 1, 2033 the proceeds from the sales tax rate that is in excess of 5% is credited 83% to the State Highway Capital Improvement Fund and 17% to the Highway Allocation Fund. This revenue is currently credited to the General Fund. The State Highway Capital Improvement Fund is administered by the Department of Roads and the Highway Allocation Fund is distributed to cities and counties. This provision would not apply to the sales tax on motor vehicles.

Estimates from the Department of Revenue indicate that the revenue from the .5% sales tax (current rate is 5.5%) will equal \$125,166,000 in FY13-14 (11 months) and \$144,159,000 in FY14-15. The State Highway Capital Improvement Fund will receive \$103,887,780 in FY13-14 and \$119,651,970 in FY14-15. The Highway Allocation Fund will receive \$21,278,220 in FY13-14 and \$24,507,030 in FY14-15.

The General Fund will lose \$125,166,000 of revenue in FY13-14 (11 months) and \$144,159,000 in FY14-15.

- After July 1, 2013 up to \$500 million of bonds may be issued for credit to the State Highway Capital Improvement Fund. No bonds shall be issued after December 31, 2018 and the bonds shall be paid off by January 1, 2038. No estimate can be provided of the additional bond revenue since the decision to issue bonds is up to the State Highway Commission.
- Money annually credited to the State Highway Capital Improvement Fund, which includes the sale tax revenue as well as bonds, is to be used as follows: a) Up to 85% is to be used for high priority projects of the Dept. of Roads. b) At least \$15 million is to be used for construction of the expressway system. And c) No more that \$25 million may be used for bond payments.

**DEPARTMENT OF ADMINISTRATIVE SERVICES**

REVIEWED BY	David Spatz	1/25/11	PHONE 471-4179
COMMENTS			
Concur with the Department of Revenue's analysis and estimate of redirected General Funds to the State Highway Capital Improvement Fund and the Highway Allocation Fund.			
Concur with Department of Roads' analysis and estimate of increased revenue and expenditures fiscal impact.			



